UNITED STATES ENVIRONMENTAL PROTECTION AGENCY Region I - EPA New England

Drafted Date: July 20, 2012 Finalized Date: August 22, 2012

SUBJECT: Partial Compliance Evaluation of Magellan Terminals, 85 East Street Terminal

FROM: Elizabeth Kudarauskas, Environmental Engineer, Air Technical Unit

THRU: Christine Sansevero, Senior Enforcement Coordinator, Air Technical Unit

TO: File

I. Facility Information

A. Facility Name: Magellan Midstream Partners, L.P.

B. Facility Location: 85 East Street New Haven, CT 06512

C. Facility Mailing Address: same

D. Facility Contact: Glenn Owens, Area Supervisor E. Type of Source (major/minor/sm/sm80): TV Major

F: Date Title V permit issued: March 17, 2011

G: AFS #: 0900909012

II Background Information

A. Date of inspection: July 11, 2012

B. Weather Conditions: sunny, hot, temps in the 90's

C. US EPA Representative(s):

Beth Kudarauskas, Air Tech Unit, OES

Bill Osbahr, OEME

Mike Looney, OEME

Jerry Keefe, OEME

- D. State Representative(s): Charmaine Molyneaux
- E. Federally Enforceable Requirements Covered During the Inspection:
 - TV Permit
 - 40 CFR Part 60 Subpart XX
 - 40 CFR Part 63 Subpart R, if applicable
 - 40 CFR Part 60 Subpart K, if applicable
 - 40 CFR Part 63 Subpart Y, if applicable
 - 40 CFR Part 63 Subpart BBBBBB, if applicable

III Purpose of Inspection

The purpose of this inspection was to gather information on the storage and distribution of #6 oil and asphalt at the Magellan Terminals in the New Haven, CT area.

IV Facility Description

A. Company / Facility History

In Connecticut, Magellan Terminals Holdings, L.P. operates four terminals. The terminals on Waterfront Street, Forbes Avenue and East Street are located in New Haven, CT and a terminal in Hamden, CT is located on Welton Street.

The facility located at 85 East Street has nine tanks of #2 oil, 2 tanks of ULSD, 2 tanks of B-99, and three asphalt tanks. There is no gasoline or ethanol storage or distribution at the 85 East Street Terminal. There are no emission or odor control systems in place at the 85 East Street Terminal.

A boiler that can burn either natural gas or #2 oil is used to heat the asphalt tanks at the 85 East Street Terminal.

Two asphalt loading bays are used to topload asphalt into trucks.

B. Corporate Structure and CEO/President/owner name and mailing address All four Magellan Terminals in Connecticut are managed through the same office at the Waterfront Street facility. All documents can be mailed to the office at the Waterfront Street facility. The Magellan corporate office is located in Tulsa, OK.

C. Number of Employees and Working Hours

The facility loading operations are conducted 24 hours a day, 7 days a week. Magellan currently employs 39 people in the New Haven area.

V <u>Inspection</u>

A. Entry

The EPA and CT DEEP inspectors entered the Magellan facility located on Waterfront Street at 10:00 am. The EPA inspectors (Ms. Kudarauskas, Mr. Osbahr, Mr. Keefe and Mr. Looney) showed their credentials to Mr. Glenn Owens, the Area Supervisor. Ms. Molyneaux identified herself as an inspector from CT DEEP.

B. Opening Conference

The inspectors sat down with Mr. Owens of Magellan Terminals Holdings, L.P for the opening conference. Ms. Kudarauskas had called Mr. Owens the afternoon before the inspection to announce the inspection. During the opening conference, Ms. Kudarauskas explained that the purpose of the inspection was to evaluate compliance with air regulations. The inspectors explained that they planned to visit both the Waterfront street and the Forbes Avenue terminals.

During the opening conference the inspectors learned that Magellan operates a total of four terminals in the New Haven area. The facilities on Waterfront Street and Forbes Avenue are Title V sources due to the storage and distribution of ethanol and gasoline.

The facility located in Hamden, CT stores #2 oil. The Hamden facility is primarily used as winter storage of #2 oil for customers. All products are shipped to the Hamden terminal via pipeline and distributed back through the pipeline to Magellan's other terminals. There is no loading rack at the Hamden facility.

The 85 East Street Terminal stores #2 oil, ULSD, B-99, and asphalt. A loading rack is located at the 85 East Street Terminal.

Mr. Owens explained that all four Magellan facilities were managed out of the Waterfront Street office. Mr. Owens provided the inspectors with a site map for the Magellan facilities in Connecticut. Mr. Owens reviewed the tank contents for the inspectors and provided the inspectors with a current listing of all tanks on the property and the product stored in each tank. See table below for a list of tanks at the 85 East Street terminal.

Magellan 85 East Street Terminal		
Tank ID	Product	
1A	#2 oil	
2A	#2 oil	
4A	#2 oil	
8A	#2 oil	
13A	#2 oil	
15A	#2 oil	

16A	#2 oil	
17A	#2 oil	
18A	#2 oil	
9A	ULSD	
14A	ULSD	
10A	B-99	
11A	B-99	
3A	Asphalt	
5A	Asphalt	
6A	Asphalt	

There are no vapor control systems in place at the 85 East Street Terminal.

The Magellan Terminals are also connected to the Buckeye Pipeline and can move product through the pipeline as necessary. Magellan also has inter-terminal pipelines which allow them to move product between the other Magellan facilities in the area.

Magellan does not operate a fleet of tanker trucks and there is no vehicle fueling at any of the Magellan terminals in Connecticut. There is no vehicle maintenance conducted on site and there are no degreasers at either facility.

C. Plant Walkthrough

The inspectors conducted a walkthrough of the 85 East Street Terminal on July 11, 2012.

The inspectors saw two asphalt loading racks. Mr. Owens explained that asphalt is loaded by weight. According to Mr. Owens, the asphalt trucks cannot be completely filled or the truck would be over-weight per DOT regulations. So, at the Magellan facility the truck is filled with asphalt while on a scale to avoid over-filling.

The 85 East Terminal had a vessel delivery of asphalt into tank 5A earlier in the day. The inspectors climbed to the top of tank 5A with the FLIR camera to see if any VOC emissions could be observed. Mr. Looney did not observe any VOC emissions with the FLIR camera from the top vents on tank 5A. However, while on top of Tank 5A the inspectors were able to observe some visible emissions from Tank 3A, another asphalt tank. Mr. Looney did not detect much from Tank 3A with the FLIR camera, indicating that the visible emissions may have been water vapor.

E. Closing Conference

The inspectors conducted a brief closing conference at the end of the day. Before the closing conference the inspectors visited three of the Magellan Terminals: Waterfront Street, Forbes Avenue, and 85 East Street.

Mr. Owens requested copies of any of the photos or videos that EPA took while on site during the inspection.

Ms. Kudarauskas reminded Mr. Owens of the Connecticut anti-idling regulations. Ms. Kudarauskas stated that she observed trucks idling at both the Waterfront Street and the Forbes Avenue Terminal. Mr. Owens said that he would look into increased signage and ways to remind drivers to shut off the engines while on Magellan property.

The inspectors left the facility at approximately 5:00 pm.